Office of Climate Change, Energy Efficiency and Emissions Trading

Business Plan

April 1, 2011 - March 31, 2014

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Message from the Premier

The Government of Newfoundland and Labrador believes that climate change is one of the greatest challenges facing the planet. There is strong and indisputable evidence that climate change is happening and, if left unchecked, could result in sea-level rise, coastal erosion, more intense weather systems and storm surges, and increased frequency of floods. These impacts could affect the marine environment, forestry, agriculture, wildlife, infrastructure and our communities. The Government of Newfoundland and Labrador has committed to respond to climate change and ensure that the province is a model of economic and environmental sustainability.

Climate change is not just an environmental issue; it is equally an economic, social, and political issue which has the potential to impact all levels of society from individuals and households, to industrial and commercial businesses. As such, it is incumbent on government to integrate consideration of how to tackle climate change and adapt to its unavoidable impacts into the work of all departments. Given that energy efficiency reduces greenhouse gas emissions, it has a clear role to play in any climate change related efforts. But its benefits go beyond this. It can lower household energy bills, improve business competitiveness, improve consumer welfare, and free up more power to export.

Few places can match our province's clean energy resources or our ability to support a low carbon economy. Newfoundland and Labrador has a vast clean energy warehouse that can help reduce greenhouse gas emissions and we are committed to taking advantage of the opportunities which can be presented by both climate change and energy efficiency.

In accordance with the *Transparency and Accountability Act*, the Office has been classified as a Category 2 entity and is expected to plan and report on outputs. The Office is a central agency within Executive Council. It was established in recognition of the importance of devising a way forward that is environmentally progressive, economically prudent and socially acceptable, and the need for leadership on integrating consideration of climate change and energy efficiency across government. The Office has lead responsibility within government for strategy and policy development on climate change and energy efficiency, and provides expertise and advice to departments to ensure that these issues are appropriately reflected in programs, initiatives and legislation as appropriate.

This business plan is focused on the three fiscal years of 2011-14. It provides an overview of the Office and identifies the goals and objectives to be accomplished during this period. As Premier, I am accountable for the preparation of this plan and for the achievement of the specific goals and objectives contained herein.

Kathy Dunderdale

Honourable Kathy Dunderdale
Premier

1.0 OVERVIEW

In 2009, the Government of Newfoundland and Labrador established the Office of Climate Change, Energy Efficiency and Emissions Trading (CCEEET), reporting to the Premier. The Office was established in recognition of the increasing importance of the issues and the need for high level leadership. The Office acts as the lead within the Provincial Government for strategy and policy development on climate change and energy efficiency, and works collaboratively with other departments, including Natural Resources and Environment and Conservation. The Office's establishment demonstrates the province's commitment to action in this growing and important area.

In 2011, the Government of Newfoundland and Labrador will release two important documents: a Climate Change Action Plan and an Energy Efficiency Action Plan. These documents will set an ambitious course for the Provincial Government over the next five years to meet commitments made to reduce greenhouse gas emissions (GHGs), improve energy efficiency, and enhance our resilience to climate change. They will lay out the progressive measures for the future, and were informed by consultations on climate change and energy efficiency held in 2010, and other ongoing work with other levels of government and external parties. The release of these Action Plans will fulfill four commitments by the Provincial Government namely, from the *Energy Plan*, developing an updated Climate Change Action Plan, a Greenhouse Gas Strategy for the Energy-Intensive Sector, and an Energy Efficiency Action Plan, and from the *Northern Strategic Plan*, developing a Climate Change Adaptation Strategy for northern Labrador.

A key part of the Office's mandate is working collaboratively with other departments to ensure climate change and energy efficiency are considered, as appropriate, in developing and implementing provincial legislation, policies, programs, services and infrastructure decisions. The Office does not have responsibility for the delivery and implementation of programs and services, including regulatory matters, which fall within the mandates of line departments. For example, the Department of Environment and Conservation is responsible for programs including the management of the Green Fund, the Atlantic Climate Adaptation Solutions Program and other non-policy related climate change adaptation initiatives. The Department of Natural Resources and Newfoundland and Labrador Housing Corporation continue to oversee the household energy efficiency retrofit programs.

CCEEET also works actively at the officials' level with the Federal Government, other provinces and territories, industry and other stakeholders on policy matters related to climate change and energy efficiency. The Office seeks to identify new opportunities to take the province forward on climate change and energy efficiency, and assesses the implications for the province of developments that may occur regionally, nationally or internationally.

The Office currently has 5 staff members (3 female, and 2 male) and is located on the 5th Floor, West Block, Confederation Complex, St. John's. For the fiscal year 2011-12, the Office has an operating budget of $ 1,361,000.

2.0 MANDATE

The mandate of the Office is to lead strategy and policy development on climate change and energy efficiency within the Provincial Government. This requires that the Office lead efforts to understand the opportunities and implications of potential policy measures, promote the integration of these issues into government departments, and establish a dialogue with external parties where there are issues of mutual interest.

3.0 LINES OF BUSINESS

The Office of Climate Change, Energy Efficiency and Emissions Trading has three lines of business relevant to its mandate:

- Policy and Strategy Development
- Promoting Government-wide Action
- Strengthening the Evidence Base

Policy and Strategy Development

The Office has lead responsibility within government to develop forward looking policies and strategies on climate change and energy efficiency. This includes responsibility for analyzing the implications of potential policy measures, monitoring national and international developments on climate change and energy efficiency, and working with other departments, and where necessary external partners, to understand the implications and opportunities for Newfoundland and Labrador. The Office also represents provincial interests on regional, national and international bodies focusing on climate change and energy efficiency at the officials' level.

Promoting Government-wide Action

The need for Government leadership was a major theme heard during the consultations on climate change and energy efficiency held in 2010, and will form key pillars of the Climate Change Action Plan and Energy Efficiency Action Plan. The Office works actively with other departments to strengthen their understanding of climate change and energy efficiency, and help them integrate these issues into their ongoing operations as well as provincial legislation, policies and regulations.

Strengthening the Evidence Base

The Office works extensively with departments, outside experts, and external parties as appropriate (e.g. Newfoundland and Labrador Hydro, Newfoundland Power, Memorial University), to fully analyze the key issues on climate change and energy efficiency and the impacts and economic opportunities for the province, communities and the private sector. The Office has undertaken or commissioned a series of research projects including studies on: the impacts of carbon pricing on Newfoundland and Labrador; the impacts of climate change on the province; commercial and industrial energy efficiency programs in other provinces and territories; climate change monitoring capabilities in the province; and, with the Department of

Innovation, Trade and Rural Development, a study of the opportunities associated with the green economy.

4.0 VALUES

The Office of Climate Change, Energy Efficiency and Emissions Trading is an organization with a culture founded on achieving excellence, producing high quality and innovative work for clients and employees, and working collaboratively with internal and external stakeholders. Operating in a team environment, the Office will focus on achieving success by adhering to the highest professional and ethical standards.

The Office of Climate Change, Energy Efficiency and Emissions Trading will focus efforts during this planning cycle on the following values:

	Each person will...
Professionalism	Take initiative and demonstrate sound judgment, innovation and adaptability in delivering the mandate of the Office.
Collaboration	Support their colleagues within the Office and in other departments understand the core issues and develop mutually beneficial ways forward. Work constructively with external stakeholders.
Innovation	Continuously challenge themselves to develop new ideas and innovative approaches to climate change and energy efficiency that move the province forward in delivering on its commitments.

5.0 PRIMARY CLIENTS

The primary clients of the Office include the Premier, Ministers, Deputy Ministers, government officials, and crown corporations.

The Office also seeks to build effective relations with other governments, including the Nunatsiavut Government, and external entities in the public, private, academic and voluntary and not-for-profit sector.

6.0 VISION

The vision of the Office of Climate Change, Energy Efficiency and Emissions Trading is of a province that achieves economic, social and environmental success by effectively integrating progressive action on climate change and energy efficiency.

7.0 MISSION

The mission statement below identifies the priority focus areas over two planning cycles (2011-17). It represents the key longer-term results that the Office will be working towards as it moves forward on the strategic directions of government (as set out in Appendix A). The statement also identifies the measures and indicators that will assist both the entity and the public in monitoring and evaluating success.

The Office's mission statement speaks to the bigger picture of increasing the province's capacity to prepare for climate change impacts and implement policies and strategies to better position the province to respond to climate change and take advantage of the opportunities presented by improvements in energy efficiency.

By 2017, the Office of Climate Change, Energy Efficiency and Emissions Trading will have advanced the province's capacity to reduce greenhouse gas emissions, adapt to the impacts of climate change and improve energy efficiency.

Measure and Indicators of Success

Measure: Advanced the province's capacity to respond and adapt to climate change and improve energy efficiency.

Indicators relevant to the Office's mandate include:

- Released Action Plans to advance the province's ability to respond and adapt to climate change, and improve energy efficiency.
- Investigated the economic development opportunities associated with climate change and energy efficiency.
- Implemented initiatives towards increasing awareness and understanding of climate change and energy efficiency in the province.
- Represented the province's interests and position at regional, national and international forums at the officials' level.
- Implemented initiatives towards strengthening the province's understanding of climate change and energy efficiency and the opportunities and implications for Newfoundland and Labrador.
- Advanced external and intergovernmental collaboration on key policy areas relating to climate change and energy efficiency.

8.0 ISSUES

In consideration of government's strategic directions and the mandate and financial resources of the Office, the following areas have been identified as government's key priorities for the next three years. The goals identified for each issue reflect the results expected in the three year timeframe; the objectives provide an annual focus. Measures and indicators are provided for the goal and the first year's objective to assist the Office and the public in monitoring and evaluating success.

Issue 1: Climate Change Adaptation

The Provincial Government recognizes that climate change is one of the most important challenges facing the planet, and it is working to understand what these changes mean for Newfoundland and Labrador, and what opportunities could be harnessed for the province.

There is strong and indisputable evidence that climate change is happening, and extensive research by the climate change experts shows that Newfoundland and Labrador could experience:

- Warmer weather and increased precipitation;
- Higher sea-levels over time and increased coastal erosion;
- Increased storm activity, which may bring increased flooding and storm surges; and
- Longer growing seasons for the forestry and agriculture industries, but also the possibility for more pests and forest fires;
- Changes in the ocean environment, which may result in changes in ice conditions and icebergs, shipping, fish species and aquaculture operations.

Climate change *adaptation* is a fundamental aspect of climate change policy. Scientists advise that, because greenhouse gas (GHG) emissions can stay in the atmosphere for significant periods of time, the climate will continue to change even if global GHG emissions were reduced to zero today. This means that the planet is already committed to a certain amount of warming and some impacts are already being felt. However, the extent and severity of impacts over the coming decades will be determined by the level of GHG emissions jurisdictions continue to emit going forward. Adaptation encompasses those actions by governments, communities and businesses to understand, plan for and respond to changes in the climate.

It is unquestionable that the impacts of climate change present challenges for the people and communities of the province now and in the future. In recognition of this, the Provincial Government is working to enhance the resilience of the province and embrace the opportunities that exist, such as improving our planning and construction practices, expanding our research efforts and the understanding of change over time, improving decision-making tools for the public and private sectors, and developing new technology opportunities.

Climate change adaptation is a key priority for the Office given its responsibility for policy and strategy. The Office works closely with the Department of Environment and Conservation which is responsible for the implementation of programs and outreach to community-level decision makers.

Goal 1: By 2014, the Office will have advanced initiatives towards improving the province's preparedness and resilience for the impacts of climate change. **Measure:** Initiatives are developed and advanced.	**Indicators:** • Released a Climate Change Action Plan. • Supported the implementation of the Climate Change Action Plan. • Advanced initiatives to strengthen the understanding of the impacts of climate change on the province. • Enhanced collaboration with other levels of government, industry, communities and researchers on climate change impacts and adaptation. • Developed initiatives to strengthen public knowledge and awareness about climate change.

Objective 1.1	By March 31, 2012, the Office will have established a strategic framework to strengthen climate change adaptation in Newfoundland and Labrador.
Measure: Strategic framework is established.	
Indicators: • Released a Climate Change Action Plan. • Commenced implementation of the Climate Change Action Plan. • Developed initiatives to improve the understanding of climate change monitoring capabilities in the province and the needs of key sectors as it relates to climate data and information. • Engaged with other governments and stakeholders, including the research and academic community, to enhance the information and understanding of the impacts of climate change on Newfoundland and Labrador.	

Objective 1.2: By March 31, 2013, the Office will have increased the province's capacity to understand and adapt to the impacts of climate change.

Objective 1.3: By March 31, 2014, the Office will have promoted the integration of climate change impacts into government's decision-making in Newfoundland and Labrador.

Issue 2: Energy Efficiency and Greenhouse Gas Reduction

Energy Efficiency

Energy efficiency refers to using less energy to provide the same or better level of service. For example, in the residential sector, increasing insulation can allow households to reduce their energy consumption and thereby save money while maintaining the same level of comfort. In the industrial sector, new investments in technology and processes may mean that a company uses less energy to generate the same or greater levels of production.

Energy efficiency can play a fundamental role in tackling climate change where it reduces dependency on carbon-intensive fuels, but it also has a much wider set of economic benefits. It can reduce fuel bills for households and business, improve energy security, free up more power to export to other jurisdictions, improve consumer welfare and reduce local air pollutants that can be harmful to human health. As a result, even if all the province's power was generated from non-GHG emitting energy sources there would still be a strong economic and social rationale for encouraging greater energy efficiency.

The Provincial Government is committed to move forward on energy efficiency. In 2008, as part of the Council of the Federation, it committed to improve energy efficiency by 20 per cent by 2020 and, in 2010, as part of the Conference of New England Governors and Eastern Canadian Premiers, government committed to reduce energy use by 20 per cent by 2020 from business-as-usual.

Greenhouse Gas Reduction

The scientific community has concluded that it is unequivocal that climate change is happening and mainly caused by the release of GHG emissions from human activity.

When these fossil fuels such as coal, gasoline and diesel are burnt, GHG emissions are released into the atmosphere and stay there for a very long time. These include, among others, carbon dioxide, methane and nitrous oxide. At the same time, the ways we manage land and waste can also impacts the amounts of greenhouse gas emissions released into the atmosphere from these activities, as for example, vegetation can emit methane in landfills when it decays without oxygen. This latter point is particularly noteworthy as methane is 21 times more powerful than carbon dioxide in its ability to trap heat in the atmosphere.

As a result of human activity, the growth rate of these GHG emissions in the atmosphere has reached levels unprecedented in the planet's history. The increasing concentrations of these gases are trapping heat in the atmosphere and causing the planet to warm. Reducing GHG emissions has therefore become a priority of the global community. The challenge is considerable, especially considering how central fossil fuel combustion is to the global economy.

There are strong economic imperatives to devise a clear path forward. Global economic and scientific organisations have found that the cost of reducing emissions will be significantly less than the cost of responding to the adverse impacts associated with climate change. Moreover, independent think tanks, like Canada's National Roundtable on the Environment and Economy, have shown that delay in taking action to reduce emissions may increase the overall cost of

meeting GHG reduction targets by locking in less efficient capital stock, or creating uncertainty for businesses which may delay their investment in new technology.

The Provincial Government has committed to reduce GHG emissions in Newfoundland and Labrador, and has stated its intention to pursue the regional reductions targets of the Conference of New England Governors and Eastern Canadian Premiers on a provincial basis, namely: reducing GHG emissions by 10 per cent below 1990 levels by 2020 and 75-85 per cent below 2001 levels by 2050.

In the Climate Change Action Plan and the Energy Efficiency Action Plan, government will lay out its comprehensive plan to reduce GHG emissions and promote energy efficiency across all sectors of the economy. The Office is continuing to work closely with departments on the implementation of these strategies and the achievement of the government commitments.

Goal 2: By 2014, the Office will have supported actions to reduce greenhouse gas emissions and promote energy efficiency in Newfoundland and Labrador. **Measure:** Actions that reduce greenhouse gas emissions and promote energy efficiency are supported.	**Indicators:** • Released a Climate Change Action Plan and an Energy Efficiency Action Plan. • Supported the implementation of a Climate Change Action Plan and an Energy Efficiency Action Plan. • Improved the evidence base to support decision making and policy development, including updating GHG projections and monitored trends over time. • Implemented a public awareness campaign designed to strengthen the public's understanding and awareness of the importance of energy efficiency and reducing greenhouse gases. • Represented the province's interests with the federal government and in intergovernmental meetings at the officials' level.

Objective 2.1	By March 31, 2012, the Office will have established the province's strategic policy framework to promote energy efficiency and reduce GHG emissions.
Measure: Strategic policy framework is established.	
Indicators: • Released a Climate Change Action Plan and an Energy Efficiency Action Plan. • Enhanced linkages with other levels of government, the research and academic community and other stakeholders to enhance the information and understanding of promoting energy efficiency and reducing GHG emissions in Newfoundland and Labrador. • Improved the evidence base to support decision-making and policy development, including updated GHG projections for the province and monitored progress on reducing emissions • Developed a public awareness campaign designed to strengthen the public's understanding and awareness of the importance of energy efficiency and reducing greenhouse gases	

Objective 2.2: By March 31, 2013, the Office will have advanced initiatives to strengthen the evidence base and improved the province's capacity to promote energy efficiency and reduce GHG emissions.

Objective 2.3: By March 31, 2014, the Office will have increased the integration of energy efficiency promotion and greenhouse gas emissions reduction into government's decision-making in Newfoundland and Labrador.

Appendix A: STRATEGIC DIRECTIONS

STRATEGIC DIRECTIONS

Strategic directions are the articulation of desired physical, social or economic outcomes that normally require action by more than one government entity. These directions are generally communicated by government through platform documents, Throne and Budget Speeches, policy documents and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across government and will ensure that all entities are moving forward on key commitments.

The direction related to the Office of Climate Change, Energy Efficiency and Emissions Trading is provided below.

Title: **Climate Change and Energy Efficiency**

Outcome: A province that has advanced its capacity to reduce greenhouse gas emissions, adapt to the impacts of climate change and improve energy efficiency.

Components of Strategic Direction	This Direction is Address in entity's		
	Business Plan	Operational Plan	Work Plan
Released a Climate Change Action Plan and an Energy Efficiency Action Plan.	X		
Advanced the province's ability to understand and adapt to climate change	X		
Supported the promotion of energy efficiency and the reductions of GHG emissions in Newfoundland and Labrador	X		